

# SENATE BILL REPORT

## SB 5341

---

---

As of January 28, 2009

**Title:** An act relating to requiring an annual survey by claimants of the tax credit for eligible business projects in rural counties.

**Brief Description:** Requiring an annual survey by claimants of the tax credit for eligible business projects in rural counties.

**Sponsors:** Senators Kastama and Shin.

**Brief History:**

**Committee Activity:** Economic Development, Trade & Innovation: 1/29/09.

---

### SENATE COMMITTEE ON ECONOMIC DEVELOPMENT, TRADE & INNOVATION

**Staff:** Jack Brummel (786-7428)

**Background:** A credit against the state's business and occupation (B&O) tax is available for manufacturing, research and development, or computer service firms that create new jobs in rural counties or community empowerment zones (CEZs). To qualify for the credit, a firm must increase its total employment by at least 15 percent. The credit is \$2,000 for new positions with annual benefits and wages less than or equal to \$40,000. The credit is \$4,000 for new positions with annual wages and benefits of more than \$40,000.

Employers must file a report with the Department of Revenue (DOR) that contains information sufficient to establish eligibility for the tax credits. Employers receiving the credit have not had to file an annual survey with data to be used in reports to the Legislature.

**Summary of Bill:** Employers claiming a credit for job creation in rural counties or CEZs must complete an annual survey and send to DOR. The information submitted must include the number of jobs and the percent of full-time, part-time, and temporary jobs; wages by salary bands; and the number of jobs with employer-provided health and retirement benefits. DOR may request additional information necessary to measure the results of, or determine eligibility for, the credit. Information reported in the survey is confidential, except the amount of the credit may be disclosed to the public.

If an employer claiming the credit fails to submit an annual survey, the amount of the tax credit is immediately due, and interest will be assessed.

---

*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

DOR is to prepare summary descriptive statistics by category and report the statistics to the Legislature each year.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.